



18 October 2013

Mr Stuart Slack
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Submitted online: submissions@aemc.gov.au

Draft Rule Determination (Victorian Jurisdictional Derogation, Advanced Metering Infrastructure): Reference Number ERC0159

Dear Mr Slack,

AGL Energy (AGL) welcomes the opportunity to make a submission in response to the AEMC draft determination to make a jurisdictional derogation in relation to meters installed under the Advanced Metering Infrastructure (AMI) program in Victoria.

In our submission to the issues paper, AGL supported the provision of smart metering under a competitive metering and services framework, which facilitates customer choice. We noted that the introduction of competition in metering services is one of the three key reforms proposed in the "AEMC Final Report: Power of choice review – giving consumers options in the way they use electricity" (AEMC Report, p. ii) to achieve an efficient demand-supply balance in the National Electricity Market.

We are therefore surprised that the draft determination simply extends the existing Victorian jurisdictional derogation, in direct contradiction to the AEMC power of choice reforms and the determination made for the original derogation.

AGL believes that this is a missed opportunity to commence the transition to competitive metering arrangements in Victoria. Given that the end of the current derogation was well understood by all parties, the transition to competitive metering and commercial delivery of services should have already commenced. This transition should not be further delayed as it can simply be based on the establishment of commercial arrangements between Distributors and Retailers in Victoria for the management of the AMI meters that have been installed. AGL considers that this is the most cost efficient way to transitioning Victoria to a contestable metering environment, which will provide better solutions for customers.

AGL is concerned that the proposed rule change fails to provide any indication or commitment to transition Victoria to a contestable metering approach. This means that the transition to competitive metering in Victoria will be delayed until after December 2016, which is inconsistent with both the AEMC Power of Choice findings and the SCER response to them.

Should you wish to discuss the details of this submission, please contact Stenhanie Bashir on (03) 8633 6836.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alex Cruickshank', is written over a light blue horizontal line.

Alex Cruickshank
Manager Metering and Market Interactions